

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Architectural Grille/Division of Giumenta Corp

New York Manufacturing Extension Partnership

Architectural Grille Gets Lean

Client Profile:

Architectural Grille, located in Brooklyn, New York has been manufacturing metal products since 1945 and specializes in customized bar and perforated grilles. Product applications include coverings for air conditioning, heating and ventilation systems as well as for decorative screening and original artwork. The company incorporates both the latest state-of-the-art technology and individual hand welding techniques to create high quality grilles from aluminum, brass, bronze, stainless and steel in a wide range of custom finishes. Architectural Grille markets nationally to general contractors, architects, luxury homebuilders, and individuals interested in restoration or new construction. They are currently supplying the Pentagon with heat resistant grilles. In addition to the standard materials the company is also equipped to handle custom designs utilizing wood, ceramic, marble, granite and numerous other materials. Architectural Grille employs 40 people.

Situation:

Architectural Grille wanted to grow their business and saw improving management skills as key to achieving this goal. The Industrial and Technology Assistance Center (ITAC), a NIST MEP network affiliate and division of the New York Manufacturing Extension Partnership, began working with Architectural Grille in 2004 and soon identified a need to develop and strengthen the company's overall infrastructure for growth, as well. The company's management style was a mixture of inherited techniques that worked well in the past but did not seem to be working as well in the current competitive environment. Management knew that changes in techniques were critical and wanted ITAC to assist in identifying and implementing them. Management relied primarily on cash flow to evaluate the company's overall health, but needed a better understanding of operating costs and profitability. Architectural Grille saw that it needed more insight into cost and profit drivers and how to apply this knowledge.

Solution:

With ITAC's assistance, the company began to recognize specific management functions that needed to be improved. The initial focus was to improve the effectiveness and productivity of the production departments using Lean Manufacturing techniques, resulting in increased management control of the production process. This led to improved workflow and more effective and responsive customer service. As control improved on the production floor, the management team was able to come to the realization that other functions of the company also needed to be improved. To assist the management team, ITAC met twice a month with the team to guide them through a detailed analysis that led to identifying the company's Strengths, Weakness, Opportunities and Threats (SWOT) facing the company. As well as increasing the personal growth of the team in communication skills and style, it became apparent that the company's pricing practices did not give them a means for understanding the relative profitability of their products. An analysis of the current pricing technique lead to the development of a cost driven pricing approach. Further analysis reinforced the need to rethink

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productivity measurements, creation of formal production departments, overhead costs as well as the philosophy for a more inclusive and incentivizing compensation plan. ITAC coached the company and helped them implement performance tracking that measured productivity by department and the impact of shipments on overhead.

Results:

- * Increased sales by \$200,000.
- * Realized \$50,000 in cost savings.
- * Created 2 new jobs.

Testimonial:

"As a small business owner, I recognized that in order to keep up with the competition I must seek outside professional services and ITAC covered all my company's necessities to help us grow out of a 'Mom and Pop' shop and into a true small business. We are very grateful to ITAC and their staff."

Anthony E. Giumenta, Chief Operating Officer